

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Lynda T. Bui, Trustee 3550 Vine Street, Suite 210 Riverside CA 92507 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: trustee.bui@shulmanbastian.com Chapter 7 Trustee <input checked="" type="checkbox"/> Individual appearing without attorney <input type="checkbox"/> Attorney for:	FOR COURT USE ONLY
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UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION	
In re: URBAN LOGIC CONSULTANTS, INC., Debtor(s).	CASE NO.: 6:19-bk-13367-SY CHAPTER: 7 NOTICE OF SALE OF ESTATE PROPERTY Bids Due by: March 2, 2020 at 5:00 p.m. (California time) Final Bidding Round: at court hearing set forth below

Sale Date: March 5, 2020	Time: 9:30 a.m.
Location: Hearing: Courtroom 302, 3420 Twelfth Street, Riverside, CA 92501 - see attached for Bidding Procedures	

Type of Sale: ☒ Public ☐ Private **Last date to file objections:** February 20, 2020

Description of property to be sold: The Estate's interest in the Debtor's accounts receivable

Terms and conditions of sale: Purchase price of \$25,000, subject to the Bid Procedures set forth in the attached.
The Successful Bidder shall take title to the accounts receivable on an "as is - where as" basis without
representations or warranties of any kind, expressed or implied, concerning the value, condition or fitness of purpose for
any use thereof, in particular - subject to all existing liens and encumbrances. SEE ATTACHED FOR MORE
INFORMATION.

Proposed sale price: \$25,000, subject to overbids

Overbid procedure (if any): Bids due by March 2, 2020 at 5:00 p.m. (California time). Final bidding round held at the Court hearing on the Sale Motion. Potential bidders must bid an initial amount of at least \$2,000 over the Purchase Price; minimum bid increments thereafter shall be \$1,000. SEE ATTACHED FOR MORE INFORMATION.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Sale is not free and clear of liens.

Court hearing to be held on March 5, 2020 at 9:30 a.m.

U.S. Bankruptcy Court

3420 Twelfth Street, Courtroom 302

Riverside, CA 92501

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Lynda T. Bui, Chapter 7 Trustee

3550 Vine Street, Suite 210

Riverside, CA 92507

Telephone: (949) 340-3400

Facsimile: (951) 275-9303

Fax: (949) 340-3000

Email: trustee.bui@shulmanbastian.com

Date: 02/05/2020

ATTACHMENTS:

- (1) Statement of Information**
- (2) Sale Motion**
- (3) Proof of Service**

Statement of Information in Compliance with LBR 6004-1(c)(3)

<u>LBR 6004-1(c)(3) Requirement</u>	<u>Information</u>
<i>LBR 6004-1(c)(3)(A)</i> Date, Time, and Place of the hearing on the proposed sale:	Hearing Date and Time: March 5, 2020 at 9:30 a.m. Hearing Place: U.S. Bankruptcy Court 3420 Twelfth Street, Courtroom 302 Riverside, CA 92501
<i>LBR 6004-1(c)(3)(B)</i> Name and address of the proposed buyer:	City of Beaumont c/o Peter J. Nolan, of Counsel Slovak Baron Empey Murphy & Pinkney LLP 1800 E. Tahquitz Canyon Way Palm Springs, CA 92262
<i>LBR 6004-1(c)(3)(C)</i> Description of the property to be sold:	The Debtor's Accounts Receivable
<i>LBR 6004-1(c)(3)(D)</i> Terms and conditions of the proposed sale, including the price and all contingencies:	Subject to the Bid Procedures set forth below, the Accounts Receivable will be sold to the Buyer for \$25,000, or an amount as increased by successful overbid, pursuant to the terms and conditions set forth in the Agreement for Purchase and Sale of Accounts Receivable ("Agreement") attached as Exhibit "1" to the Declaration of Lynda T. Bui ("Bui Declaration") annexed to the Sale Motion.
<i>LBR 6004-1(c)(3)(E)</i> Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests:	The Buyer or Successful Bidder, as the case may be, shall take title to the Accounts Receivable on an "as is – where is" basis without representations or warranties of any kind, expressed or implied, being given by the Seller, concerning the value, condition or fitness of purpose for any use thereof, in particular – subject to all existing liens and encumbrances against the Accounts Receivable.
<i>LBR 6004-1(c)(3)(F)</i> Whether the proposed sale is subject to higher and better bids:	Yes - See the Bid Procedures set forth in the Sale Motion.
<i>LBR 6004-1(c)(3)(G)</i> Consideration to be received by the Estate, including estimated commissions, fees and other costs of sale:	The Estate is expected to receive at least \$25,000 or an amount as increased by a successful overbid.
<i>LBR 6004-1(c)(3)(H)</i> If authorization is sought to pay commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid:	There is no broker that will be involved in the sale transaction, and no escrow company will be utilized. It is anticipated that there will be no costs associated with the sale other than regular administrative costs of the Debtor's Estate.
<i>LBR 6004-1(c)(3)(I)</i> A description of the estimated or possible tax consequences to the Estate, if known, and how any tax liability generated by the sale of the property will be paid:	Although it is anticipated there will not be any capital gains tax consequences, at this time, the Trustee does not know for certain what the capital gains taxes liability will be, if any, generated by the sale. In the event that there is any tax liability generated from the sale of the Accounts Receivable that is a liability of the Estate, it is anticipated that such taxes will be minimal and will be paid from the proceeds of the sale.
<i>LBR 6004-1(c)(3)(J)</i> Date which objection must be filed and served:	Objections, if any, must be filed and served 14 days prior to the Hearing Date or February 20, 2020.

SALE MOTION

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Lynda T. Bui, Chapter 7 Trustee 3550 Vine Street, Suite 210 Riverside, California 92507 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: trustee.bui@shulmanbastian.com <input checked="" type="checkbox"/> Individual appearing without attorney <input type="checkbox"/> Attorney for:	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION	
In re: URBAN LOGIC CONSULTANTS, INC., Debtor(s).	CASE NO.: 6:19-bk-13367-SY CHAPTER: 7 NOTICE OF MOTION FOR: ORDER: (1) APPROVING THE SALE OF THE ESTATE'S INTEREST IN THE DEBTOR'S ACCOUNTS RECEIVABLE PURSUANT TO BANKRUPTCY CODE §363(b)(1), SUBJECT TO OVERBIDS, COMBINED WITH NOTICE OF BIDDING PROCEDURES AND REQUEST FOR APPROVAL OF THE BIDDING PROCEDURES UTILIZED; AND (2) GRANTING RELATED RELIEF (Specify name of Motion) DATE: 03/05/2020 TIME: 9:30 am COURTROOM: 302 PLACE: U.S. Bankruptcy Court 3420 Twelfth Street Riverside, CA 92501-3819

1. TO (*specify name*): Debtor and its counsel, the United States Trustee, all creditors and other parties in interest
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 02/05/2020

Printed name of law firm

/s/ Lynda T. Bui
Signature

Lynda T. Bui, Chapter 7 Trustee
Printed name of attorney

Lynda T. Bui, Trustee
3550 Vine Street, Suite 210
Riverside, California 92507
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: trustee.bui@shulmanbastian.com

Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION

In re

**URBAN LOGIC CONSULTANTS,
INC.,**

Debtor.

Case No. 6:19-bk-13367-SY

Chapter 7

**CHAPTER 7 TRUSTEE'S MOTION FOR
ORDER:**

**(1) APPROVING THE SALE OF THE
ESTATE'S INTEREST IN THE DEBTOR'S
ACCOUNTS RECEIVABLE PURSUANT
TO BANKRUPTCY CODE §363(b)(1),
SUBJECT TO OVERBIDS, COMBINED
WITH NOTICE OF BIDDING
PROCEDURES AND REQUEST FOR
APPROVAL OF THE BIDDING
PROCEDURES UTILIZED; AND**

(2) GRANTING RELATED RELIEF;

**MEMORANDUM OF POINTS AND
AUTHORITIES AND DECLARATION OF
LYNDA T. BUI IN SUPPORT THEREOF**

Hearing Date:

Date: March 5, 2020

Time: 9:30 a.m.

Place: Courtroom 302

3420 Twelfth Street

Riverside, California 92501

**TO THE HONORABLE SCOTT H. YUN, UNITED STATES BANKRUPTCY JUDGE,
THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTOR AND ALL
INTERESTED PARTIES AND THEIR COUNSEL OF RECORD:**

1 I. **INTRODUCTION**

2 Lynda T. Bui ("Trustee"), the Chapter 7 trustee for the bankruptcy estate
3 ("Estate") of Urban Logic Consultants, Inc. ("Debtor"), brings this *Motion for Order: (1)*
4 *Approving the Sale of the Estate's Interest in the Debtor's Accounts Receivable*
5 *Pursuant to Bankruptcy Code §363(b)(1), Subject to Overbids, Combined With Notice of*
6 *Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; and*
7 *(2) Granting Related Relief* ("Sale Motion") and respectfully represents as follows.

8 II. **BACKGROUND FACTS**

9 A. **Case Commencement**

10 The Debtor filed a voluntary petition under Chapter 7 of the Bankruptcy Code
11 April 22, 2019.

12 The deadline for filing claims was November 4, 2019 (government claims were
13 due by October 21, 2019. The Claim Register for the case reflects a total of five claims
14 filed in the aggregate amount of \$562,777.34¹, of which \$840.73 as been asserted as
15 priority and \$561,936.61 has been asserted as general unsecured.

16 B. **The Accounts Receivable**

17 In its Schedule A/B, item 11, the Debtor list accounts receivable over 90 days old
18 in the amount of \$880,000.00 against City of Beaumont ("Accounts Receivable").

19 The Trustee is not aware of any liens or encumbrances impacting the Accounts
20 Receivable. The Debtor has ongoing litigation with the City and the Western Riverside
21 Council of Governments ("WRCOG"). WRCOG (also assigned the City's rights) asserts
22 that it has defenses, including set-off rights, to the Accounts Receivable and that in fact
23 these are worthless because of alleged wrongdoings by the Debtor. Notwithstanding,
24 the City is willing to purchase these Accounts Receivable to dispose of the claims in its
25 litigation against the Debtor and other third parties. Because the Trustee is not able to
26 truly value the Accounts Receivables, she is making the sale subject to overbids at the

27 _____
28 ¹ The City of Beaumont ("City") has filed a general unsecured claim in an amount "to be determined" in
connection with causes of action pursuant to a State Court action pending in the Riverside County
Superior Court.

time of the hearing. Notice will be provided to the other interested party, TorCal, LLC, the entity that purchased the Debtor's assets that are also in litigation with WRCOG. The Trustee will also provide notice of this sale to all unrelated entities she is aware of who are in the business of purchasing accounts receivable in bankruptcy.

III. RELIEF REQUESTED BY THE SALE MOTION

Through this Sale Motion, subject to the Bid Procedures set forth below, the Trustee seeks a Court order to sell the Debtor's interest in the Accounts Receivable to the City ("Buyer") for \$25,000², or an amount as increased by successful overbid, pursuant to the terms and conditions set forth in the Agreement for Purchase and Sale of Accounts Receivable ("Agreement") attached as **Exhibit "1"** to the Declaration of Lynda T. Bui ("Bui Declaration"). The Buyer or Successful Bidder, as the case may be, shall take title to the Accounts Receivable on an "as is" basis, subject to all existing liens and encumbrances and without warranty to the validity, value or marketability of the Accounts Receivable.

IV. NOTICE OF BID PROCEDURES

The Trustee has determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Accounts Receivable instead of selling the Accounts Receivable to the Buyer on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of this Estate, the Trustee also seeks Court approval of the following bid procedures ("Bid Procedures"):

a. Potential bidders must bid an initial amount of at least \$2,000 over the Purchase Price, or \$27,000. Minimum bid increments thereafter shall be \$1,000. The Trustee shall have sole discretion in determining (i) the other procedures to be utilized for bidding, (ii) which overbid is the best for the Estate and will seek approval from the Court of the same.

b. Bids must be in writing and be received by the Trustee on or before 5:00 p.m. (California time) the date that is three days prior to the Court hearing on the Trustee's motion for a Court order approving the sale of the Accounts Receivable ("Sale Motion"). Bids must be accompanied by certified funds in an amount equal to three percent of the overbid purchase price.

² This is the highest and best offer the Trustee received from interested buyers.

c. The bidder must also provide evidence of having sufficient specifically committed funds to complete the transaction or a lending commitment for the bid amount and such other documentation relevant to the bidder's ability to qualify as the purchaser of the Accounts Receivable and ability to close the sale and immediately and unconditionally pay the winning bid purchase price at closing.

d. The bidder must seek to acquire the Accounts Receivable on terms and conditions not less favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase the Accounts Receivable as set forth in the Agreement with the Buyer including no contingencies and closing on the sale in the same time parameters as the Buyer.

e. All competing bids must acknowledge that the Accounts Receivable is being sold on an "AS IS – WHERE IS" basis without representations or warranties of any kind, expressed or implied, being given by the Seller, concerning the value, condition or fitness of purpose for any use thereof, in particular - subject to all existing liens and encumbrances against the Accounts Receivable. Buyer represents and warrants that it is purchasing the Accounts Receivable as a result of its own investigations and is not buying the Estate's interest in the Accounts Receivable pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction or on behalf of the Seller. Buyer acknowledges that Buyer has investigated the value of the Accounts Receivable and, upon Bankruptcy Court approval of this Agreement, Buyer forever waives, for itself, and its successors and assigns, any and all claims against the Estate and the Seller, both as Trustee and individually, and her attorneys, agents, and employees, arising or which might otherwise arise in the future concerning the Accounts Receivable.

f. If overbids are received, the final bidding round shall be held at the hearing on the Trustee's Sale Motion seeing approval of the Agreement and the sale of the Accounts Receivable, or if rescheduled, upon telephonic notice to the Buyer and the parties having submitted overbids in order to allow all potential bidders the opportunity to overbid and purchase the Accounts Receivable. At the final bidding round, the Trustee will, in the exercise of her business judgment and subject to Court approval, accept the bidder who has made the highest and best offer to purchase the Accounts Receivable, consistent with the Bid Procedures ("Successful Bidder"). At the hearing on the Sale Motion, the Trustee will seek entry of an order, inter alia, authorizing and approving the sale of the Accounts Receivable to the Successful Bidder. The hearing on the Sale Motion may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the hearing on the Sale Motion. In the event the Successful Bidder fails to close on the sale within the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's deposit and will be released from her obligation to sell the Accounts Receivable to the Successful Bidder and may then sell the Accounts Receivable to the First Back-Up Bidder approved by the Court. In the event First Back-Up Bidder fails to close on the sale within the time parameters approved by the Court, the Trustee shall retain the First Back-Up Bidder's deposit and will be released from the obligation to sell the Accounts Receivable to the First Back-Up Bidder and may then sell the Accounts Receivable to the Second Back-Up Bidder approved by the Court.

The Bid Procedures will also be set forth in the Notice of the Sale Motion. The Bid Procedures will be provided to all creditors and any potential bidders or parties who have shown an interest in the Accounts Receivable. In addition, a Notice of Sale of Estate Property will be filed with the Court for posting on the Court's website under the

link "Current Notices of Sales", thereby giving notice to additional potential interested parties. Based on the foregoing, the Trustee believes that under the circumstances of this case, the Accounts Receivable will have been appropriately marketed for overbidding.

V. ARGUMENT³

A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of the Estate.

The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. §704, which provides in relevant part as follows:

(a) The trustee shall—

(1) collect and reduce to money the property of the estate for which such trustee serves, and close such estate as expeditiously as is compatible with the best interests of parties in interest;

(2) be accountable for all property received;

...

Further, the Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b). Courts ordinarily will approve a proposed sale if there is a good business reason for the sale and the sale is in the best interests of the estate. *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983).

Here, the facts surrounding the sale support the Trustee's business decision that the proposed sale is in the best interests of the Estate and its creditors. Through the sale, the Trustee anticipates generating funds of \$25,000, or an amount as increased by successful overbid. If the Sale Motion is not approved, the value of the Estate's interest in the Accounts Receivable may be lost. The Trustee does not know of any benefits that may arise by delaying the sale. In such event, the Estate will not receive any benefit from the Accounts Receivable. As such, through this Sale Motion, the Trustee will preserve a benefit for creditors which will be lost if the Sale Motion is not granted.

³ Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and authorities be filed in support of the Sale Motion, the Trustee is nevertheless submitting one.

1 **B. The Court Has the Authority to Approve the Bidding Procedures**

2 Implementation of the Bid Procedures is an action outside of the ordinary course
3 of the business. Bankruptcy Code Section 363(b)(1) provides that a trustee “after notice
4 and hearing, may use, sell or lease, other than in the ordinary course of business,
5 property of the estate.” 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code
6 Section 105(a), “[t]he court may issue any order, process, or judgment that is necessary
7 or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

8 The most important benefit of the Bid Procedures to the Estate is that their
9 implementation will enable the consummation of the proposed sale. Implementation of
10 the Bid Procedures is an essential component of consummating the sale of the
11 Accounts Receivable and maximizing the value of the Accounts Receivable for the
12 Estate and creditors. The Bid Procedures proposed by the Trustee are fair and provide
13 for a “level playing field” for all prospective bidders with respect to the Fractional
14 Partnership Interest.

15 Thus, pursuant to Bankruptcy Code sections 363(b)(1) and 105(a), this Court
16 may approve the Bid Procedures, which will assist the Trustee to obtain the best
17 possible price on the best possible terms for the Accounts Receivable.

18 **C. The Court has the Authority to Waive the Fourteen-Day Stay of Sale**

19 Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order
20 authorizing the use, sale or lease of property other than cash collateral is stayed until
21 the expiration of 14 days after entry of the order, unless the Court orders otherwise.”
22 Fed. Rule Bankr. P. 6004(h). The Trustee desires to close the sale of the Accounts
23 Receivable as soon as practicable after entry of an order approving the sale.
24 Accordingly, the Trustee requests that the Court, in the discretion provided it under
25 Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen-day stay
26 requirement.

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VI. CONCLUSION

WHEREFORE, based upon the foregoing, the Trustee respectfully submits that good cause exists for granting the Sale Motion and requests that the Court enter an order as follows:

1. Approving the Bid Procedures.

2. Authorizing the Trustee to sell the Accounts Receivable on an as-is, where-as basis, without any warranties or representations, to the Buyer (or Successful Bidder) for \$25,000, or an amount as increased by successful overbid, pursuant to the terms and conditions as set forth in the Agreement for Purchase and Sale of Accounts Receivable attached as **Exhibit "1"** to the Bui Declaration annexed hereto.

3. Authorizing the Trustee to sign any and all documents convenient and necessary in pursuit of the sale of the Accounts Receivable pursuant to the terms of the Agreement governing the sale, including but not limited to any and all conveyances contemplated by the sale.

4. Finding that the Purchase Price constitutes fair market value for the Accounts Receivable.

5. Finding that notice of the transactions contemplated hereby and of the terms of the Agreement was good and sufficient and was provided timely to all creditors and parties in interest, including, without limitation, any and all creditors holding liens or encumbrances on the Accounts Receivable.

6. Making a determination that the Buyer is in good faith pursuant to Bankruptcy Code Section 363(m).

7. Waiving the fourteen day stay of the order approving the sale under Federal Rules of Bankruptcy Procedure 6004(h) such that the sale can close as soon as possible after entry of the Court order approving the Sale Motion.

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8. For such other and further relief as the Court deems just and proper under
the circumstances of this case.

Dated: February 5, 2020

/s/ Lynda T. Bui

Lynda T. Bui
Solely in her capacity as the Chapter 7 trustee for
the bankruptcy estate of Urban Logic
Consultants, Inc. fdba Infra Consultants

DECLARATION OF LYNDA T. BUI

I, Lynda T. Bui, declare:

1. I am the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate of *In re Urban Logic Consultants, Inc. fdba Infra Consultants*, Case No. 6:19-bk-13367-SY ("Debtor"). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct.

2. I make this Declaration in support of my *Motion for Order: (1) Approving the Sale of the Estate's Interest in the Debtor's Accounts Receivable Pursuant to Bankruptcy Code § 363(b)(1), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; and (2) Granting Related Relief* ("Sale Motion"). Unless otherwise noted, capitalized terms herein have the meaning as set forth in the Sale Motion.

3. In its Schedule A/B, item 11, the Debtor list accounts receivable over 90 days old in the amount of \$880,000.00 ("Accounts Receivable").

4. I am not aware of any liens or encumbrances impacting the Accounts Receivable.

5. The Debtor has ongoing litigation with the City of Beaumont ("City") and the Western Riverside Council of Governments ("WRCOG"). WRCOG (also assigned the City's rights) asserts that it has defenses, including set-off rights, to the Accounts Receivable and that in fact these are worthless because of alleged wrongdoings by the Debtor in billing the City. Notwithstanding, the City is willing to purchase these Accounts Receivable to dispose of the claims in its litigation against the Debtor and other third parties. Because I am not able to truly value the Accounts Receivables, I am making the sale subject to overbids at the time of the hearing.

6. Notice of the Sale Motion will be provided to the other interested party, TorCal, LLC, the entity that purchased the Debtor's assets that are also in litigation with

1 WRCOG. I will also provide notice of this sale to all unrelated entities I am aware of who
2 are in the business of purchasing accounts receivable in bankruptcy.

3 7. Accordingly and based on the above, I believe that the value of the
4 Accounts Receivable is considerably less than the amount scheduled by the Debtor. In
5 addition, I solicited offers from various parties. The \$25,000 offer from the Buyer is the
6 highest and best offer received.

7 8. Through the Sale Motion, subject to the Bid Procedures, I seek a Court
8 order to sell the Accounts Receivable to the Buyer for \$25,000, or an amount as
9 increased by successful overbid, pursuant to the terms and conditions set forth in the
10 Agreement for Purchase and Sale of Accounts Receivable ("Agreement") attached
11 hereto as **Exhibit "1"**.

12 9. The Buyer or Successful Bidder, as the case may be, shall take title to the
13 Accounts Receivable on an "as is" basis, subject to all existing liens and encumbrances
14 and without warranty to the validity, value or marketability of the Estate's title to the
15 Accounts Receivable.

16 10. I have no relationship with the Buyer other than as the trustee for the
17 Debtor's Estate and as buyer/seller for the transaction for the sale of the Accounts
18 Receivable. There was no self-dealing associated with this sale.

19 11. The Estate does not have the funds to obtain a formal written appraisal of
20 the value of the Accounts Receivable. Based on the Debtor's Schedules and information
21 regarding the Accounts Receivable and my review of the Debtor's books and records, I
22 believe (i) that the value of the Accounts Receivable is less than the amount scheduled
23 by the Debtor; and (ii) the employment of a broker to market the Accounts Receivable for
24 sale is not warranted. Accordingly, there is no broker that will be involved in the sale
25 transaction, and no escrow company will be utilized. It is anticipated that there will be no
26 costs associated with the sale other than regular administrative costs of the Debtor's
27 Estate.

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12. I have determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Accounts Receivable instead of selling the Accounts Receivable to the Buyer on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of this Estate, I also seek Court approval of the bid procedures ("Bid Procedures") described in the Sale Motion. The Bid Procedures will be set forth in the Notice of the Sale Motion. The Bid Procedures will be provided to all creditors and any potential bidders or parties who have shown an interest in the Accounts Receivable. In addition, a Notice of Sale of Estate Property will be filed with the Court for posting on the Court's website under the link "Current Notices of Sales", thereby giving notice to additional potential interested parties. Based on the foregoing, I believe that under the circumstances of this case, the Accounts Receivable will have been appropriately marketed for overbidding.

13. I believe that the proposed sale, subject to overbids, will be at fair market value. Given that the sale is subject to overbids, it is anticipated that the Estate will receive the best and highest value for the Accounts Receivable and therefore the proposed sale price is fair and reasonable.

14. For the reasons set forth in the Sale Motion and this Declaration, I respectfully request that the Court grant the Sale Motion so that I do not lose this favorable business opportunity to net a substantial amount of money for the Estate.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 5, 2020, at Irvine, California.

/s/ Lynda T. Bui

Lynda T. Bui

EXHIBIT “1”

Agreement for Purchase and Sale of Accounts Receivable

AGREEMENT FOR PURCHASE AND SALE OF ACCOUNTS RECEIVABLE

This Agreement for Purchase and Sale of Accounts Receivable ("Agreement") is entered into on this 15th day of November, 2019, by and between **Lynda T. Bui, solely and exclusively in her capacity as Chapter 7 trustee** ("Seller" or "Trustee") for the bankruptcy estate ("Estate") of ***In re Urban Logic Consultants, Inc. fdba Infra Consultants*** ("Debtor"), Case No. 6:19-bk-13367-SY, and the **City of Beaumont** ("Buyer"), pursuant to the terms and conditions as follows:

I. RECITALS

WHEREAS, the Debtor filed a voluntary petition under Chapter 7 of the Bankruptcy Code on April 22, 2019. Lynda T. Bui is the Chapter 7 Trustee of Debtor's Estate.

WHEREAS, in its Schedule A/B, item 11b, the Debtor listed accounts receivable over 90 days old in the amount of \$880,000.00 ("A/R").

WHEREAS, in consideration of the mutual covenants, promises, agreements, representations and warranties contained in this Agreement, the Parties hereto do hereby covenant, promise, agree, represent and warrant as follows:

II. AGREEMENT

A. Purchase Price, Bid Procedures

1. **Purchase Price.** Subject to the Bid Procedures set forth below, Buyer agrees to pay \$25,000 for the purchase of the Estate's interest in the A/R, or an amount as increased by successful overbid. The Purchase Price shall be made in immediately available funds in the form of either a money order or cashier's check payable to the order of "Lynda T. Bui, Trustee" and reference "*In re Urban Logic Consultants, Inc. fdba Infra Consultants, Case No. 6:19-bk-13367-SY*" in the memo section and delivered within five calendar days after the date of entry of the Court order approving this Agreement to the Trustee's office located at 3550 Vine Street, Suite 210, Riverside, CA 92507.

2. **Overbid Bid Procedures.** Potential bidders must bid an initial amount of at least \$2,000 over the Purchase Price, or \$27,000. Minimum bid increments thereafter shall be \$1,000. Subject to approval of the Bankruptcy Court, the Trustee shall have sole discretion in determining (i) the other procedures to be utilized for bidding, (ii) which overbid is the best interest of the Estate.

B. Additional Terms

1. **Transfer of Interest.** Seller shall convey the Estate's interest in the A/R "as is", subject to all existing liens and encumbrances and without warranty to the validity, value or marketable of the Estate's title to the A/R. The Buyer is purchasing the Estate's

interest in the A/R based upon its own independent investigation as to the Estate's interest in the A/R, which includes the review of the Debtor's outstanding A/R.

2. Bankruptcy Court Approval. Seller agrees to proceed in good faith to obtain Bankruptcy Court approval of the sale. Buyer understands that the sale transaction contemplated by this Agreement is subject to approval of the Bankruptcy Court and entry of a Bankruptcy Court order approving the sale transaction and this Agreement. Seller makes no warranties, either express or implied, as to her ability to obtain said approval of the Bankruptcy Court, and in the event that the Seller is unable to obtain said approval, the Buyer its agents, successors and assigns shall hold the Seller, her attorneys, agents and brokers harmless from any and all damages which the Buyer may allege it has suffered as a result thereof.

3. Purchase Without Warranties. Buyer acknowledges that it is purchasing the A/R from the Seller "AS IS - WHERE IS" basis without representations or warranties of any kind, express or implied, being given by the Seller, concerning the value, condition or fitness of purpose for any use thereof, in particular - subject to all existing liens and encumbrances against the A/R. Buyer represents and warrants that it is purchasing the A/R as a result of its own investigations and is not buying the Estate's interest in the A/R pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction or on behalf of the Seller. Buyer acknowledges that it has investigated the value of the A/R and upon Bankruptcy Court approval of this Agreement, Buyer forever waives, for itself, and its successors and assigns, any and all claims against the Estate and the Seller, both as Trustee and individually, and her attorneys, agents, and employees, arising or which might otherwise arise in the future concerning the A/R.

4. Trustee's Liability. Buyer acknowledges that the Trustee is acting in her official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to this Agreement or the A/R. In the event that Trustee fails or refuses to complete the transaction for any reason, then the limit of Trustee's liability is only to immediately, upon demand, return any money paid to the Trustee by the Buyer, without deduction. All other liability of the Trustee, or her agents or attorneys, is hereby released. Prior to the closing of sale, the Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the A/R that is the subject of this transaction and Agreement; and all disputes arising before and after closing shall be resolved in the Bankruptcy Court.

5. Deliveries by Seller. At the closing of the sale, Seller shall deliver to Buyer the following documents (collectively, the "Closing Documents"): (a) a Bill of Sale executed by Seller and (b) a copy of the Court Order approving the sale of the A/R.

6. Controlling Law. This Agreement has been entered into in the State of California and this Agreement, including any rights, remedies, or obligations provided for hereunder, shall be construed and enforced in accordance with the laws of the State of California.

7. Bankruptcy Court Jurisdiction. All disputes arising out of or related in any manner to this Agreement, or to the Debtor's estate, including, without limitation, any

dispute relating to the interpretation, meaning or effect of any provision hereof, will be resolved in the Bankruptcy Court and the parties hereto each submit to the exclusive jurisdiction of the Bankruptcy Court for the purposes of adjudicating any such dispute, to the extent the jurisdiction of the Bankruptcy Court is available.

8. Attorneys' Fees. If any legal action is instituted between the Seller and the Buyer in connection with this Agreement, then the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs and reasonable attorneys' fees.

9. Written Modification and Amendment. Any modifications or amendments to this Agreement must be in writing and signed by the Buyer and the Seller.

10. Further Instruments. Each party, promptly upon the request of the other, shall execute and have acknowledged and delivered to the other, as may be appropriate, any and all further instruments reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement and which are consistent with the provisions of this Agreement.

11. Entire Agreement. This Agreement supersedes all other offers. No part of any previous offers shall be used to interpret the terms of this Agreement. This contract contains the entire agreement of the parties hereto and any agreement or representation not set forth expressly herein is of no effect.

12. Time for Performance. Time is of the essence of this Agreement and failure to comply with any provision herein shall be a material breach of this Agreement.

13. Counterparts. This Agreement may be executed in more than one counterpart, each of which is so executed shall be deemed an original, and said counterparts together shall constitute one and the same instrument.

The Parties hereto acknowledge and represent that they had a reasonable opportunity to consult with separate legal counsel of their choosing before entering into and executing this Agreement. The Parties, and each of them, understand the meaning of this Agreement and expressly consent that this Agreement shall be given full force and effect according to each and all of its express terms and provisions. All Parties acknowledge that they are executing and delivering this Agreement after having received from legal counsel of their own choosing legal advice as to their respective rights hereunder and the legal effect hereof.

I THE BUYER HEREIN, HAVE REVIEWED THE FOREGOING AGREEMENT AND UNDERSTAND THE TERMS AND CONDITIONS SET FORTH, AND FURTHER AGREE TO PURCHASE THE A/R PURSUANT TO THE FOREGOING TERMS AND CONDITIONS.

CITY OF BEAUMONT

Dated: November 15, 2019



By: Todd Parton

Its: City Manager

I, THE SELLER HEREIN, AGREE TO SELL THE A/R PURSUANT TO THE FOREGOING TERMS AND CONDITIONS.

Dated: November 15, 2019

/s/ Lynda T. Bui

Lynda T. Bui, in her sole capacity as
trustee for the bankruptcy estate of Urban
Logic Consultants, Inc. fdba Infra Consultants

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **100 Spectrum Center Drive, Suite 600, Irvine, California 92618**

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* **February 5, 2020**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Chapter 7 Trustee:** Lynda T. Bui (TR) trustee.bui@shulmanbastian.com, C115@ecfcbis.com
- **Interested Party:** Brent S Clemmer garduno@sbemp.com, clemmer@sbemp.com
- **Interested Party:** Caroline Djang caroline.djang@bbklaw.com, evelyn.gomez@bbklaw.com; sansanee.wells@bbklaw.com
- **Attorney for Debtor:** Jenny L Doling JD@jdl.law, dolingjr92080@notify.bestcase.com
- **Interested Party:** United States Trustee (RS) ustpreion16.rs.ecf@usdoj.gov

☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On *(date)* **February 5, 2020**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* **February 5, 2020**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

February 5, 2020

Date

Erlanna Lohayza

Printed Name

/s/ Erlanna Lohayza

Signature

EMAIL SERVICE LIST

Buyer:

City of Beaumont c/o Slovak Baron Empey Murphy & Pinkney LLP; Attn: Peter J. Nolan, Esq.; Email: nolan@sbemp.com

Potential Bidders:

A. Yoni Miller; QuickLiquidity; Email: ymiller@quickliquidity.com
David Pullman; The Pullman Group, LLC; Email: dpullman@pullmanbonds.com
Jeremiah John Rivera; Cash For Interests, LLC.; Email: jeremiah@cashforinterests.com
Derek Vidor; Receivables Control; Email: dvidor@rccmn.com
Gabriel Rabbanian; Email: gabrielrabbanian@gmail.com

U.S. MAIL SERVICE LIST

Judge's Copy:

U.S. Bankruptcy Court
Attn: Honorable Scott H. Yun
3420 Twelfth Street, Suite 345
Riverside, CA 92501

Debtor, Creditors and Parties in Interest:

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